

**TOWN OF OLATHE, COLORADO
FINANCIAL STATEMENTS &
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2016**



RECEIVED

By the Office of the State Auditor at 4:32 pm, Sep 06, 2017

TABLE OF CONTENTS

Independent Auditor's Report	1
Management's Discussion and Analysis (RSI)	4
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements	
Balance Sheet - Governmental Funds	13
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in	
Fund Balances - Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures and	
Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Net Position – Proprietary Funds	17
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	18
Statement of Cash Flows – Proprietary Funds	19
Notes to the Financial Statements	20
Required Supplementary Information Other than MD & A	
Budgetary Comparison Schedules - Major Governmental Funds	
General Fund	43
Road Fund	49
Schedule of Change in Net Pension Plan Asset	50
Schedule of Contributions to Pension Plan	51
Supplementary Information	
Combining Balance Sheet – Non-Major Governmental Funds	52
Combining Statement of Revenues, Expenditures and Changes in	
Fund Balance – Actual and Budget - Non-Major Governmental Funds	53
Schedule of Revenues, Expenses and Transfers – Actual and Budget - Water Fund	54
Schedule of Revenues, Expenses and Transfers – Actual and Budget - Sewer Fund	55
Schedule of Revenues, Expenses and Transfers – Actual and Budget - Trash Fund	56
Local Highway Finance Report	57

KELLY NEAL SCATES, CPA, PC
CERTIFIED PUBLIC ACCOUNTANT

PO Box 249
Delta, Colorado 81416
Telephone 970-874-8641
Facsimile 970-874-8642
e-mail knscales@aol.com

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Town Board of Trustees
Town of Olathe, Colorado
Olathe, Colorado 81425

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Olathe, Colorado, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Olathe, Colorado, as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Predecessor Auditor

The financial statements of the prior year ending December 31, 2015 were audited by other auditors who expressed an unqualified opinion on those financial statements and emphasized the implementation of GASB Statement No. 68, Accounting and Reporting for Pensions in a report dated September 1, 2016.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of change in net pension plan assets and schedule of contributions to pension plan on pages 4-10, 43-51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting or placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Honorable Mayor and Town Board of Trustees
Town of Olathe, Colorado
Page Three

Other Matters (Continued)

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Olathe, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary schedules of the proprietary funds and Local Highway Finance Report are presented for purposes of additional analysis or legal and regulatory requirements and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary schedules for the proprietary funds and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual nonmajor fund financial statements, budgetary schedules for the proprietary funds and Local Highway Finance Report are fairly stated in all material respects in relation to the basic financial statements as a whole.


August 28, 2017
Delta, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF OLATHE
Management's Discussion and
Analysis Fiscal Year Ended
December 31, 2016

As management of the Town of Olathe (the "Town"), we offer readers of the Town's basic financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information provided in the financial statements.

FINANCIAL HIGHLIGHTS

- The Town's total cash and investments as of December 31, 2016 was \$236,202 a decrease of \$45,741 due to a decrease in anticipated tax revenue combined with increased budgeted spending in the General Fund.
- The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$5,324,366 (i.e. net position) as of December 31, 2016, a decrease of \$140,344 in comparison to the prior year.
- Governmental funds reported combined ending fund balances of \$306,527 an increase of \$4,668 in comparison with the prior year.
- The Town's fund balance for the General Fund was \$41,986, a decrease of \$51,758 in comparison to the prior year.
- Total long-term liabilities decreased by \$80,653 during the 2016 fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business.

The statement of net position presents information on all the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the differences reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future periods (e.g. uncollected taxes and earned but unused personal time).

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (Governmental Activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (Business-type Activities).

The Governmental Activities of the Town include general government administration, police, public works, and parks. The Business-type Activities of the Town include the following utilities: water, sewer, and trash; in addition to service provided by activities, the care and maintenance of the community center.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Town's funds can be divided into two categories: Governmental Funds and Proprietary Funds.

Governmental Funds—Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. The accounting method is called modified accrual accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains two major government funds, the General Fund and the Road Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund.

The Town adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for the General Fund and Road Fund to demonstrate compliance with the budget. Budgetary comparisons for all other funds are provided as schedules elsewhere in the report.

Proprietary Funds - The Town maintains one type of proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses a separate enterprise fund to account for each of its utility funds: Water, Sewer, and Trash Funds.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's budgetary comparisons for the General Fund and Road Fund and statistical information for the police pension. The combining statements of nonmajor governmental funds and budgetary comparison schedules for proprietary funds are presented immediately following the required supplementary information on budgetary comparisons.

GOVERNMENT-WIDE FINANCIAL ANALYSIS**Net Position**

As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the year ended December 31, 2016, the Town's combined assets and deferred outflow of resources exceeded liabilities and deferred inflows of resources by \$5,371,425. Of this amount \$5,154 is available to meet the Town's general future financial obligations and \$248,352 is available but restricted for Streets and Alley's in the Governmental Funds. For the business type activities there are no available unrestricted resources.

By far the largest portion of net position is the investment in capital assets (net of related debt) of \$5,044,084 (94% of net position). This amount reflects the investment in all capital assets e.g. infrastructure, land, buildings, and equipment, less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the Town's governmental and business-type net position for 2016

	Governmental Activities 2015	Governmental Activities 2016	Business Type Activities 2015	Business Type Activities 2016	Totals 2015	Totals 2016
Assets						
Current and other assets	669,119	430,263	-84,308	48,950	584,811	479,213
Capital assets	1,156,175	1,186,789	5,486,021	5,279,554	6,642,196	6,466,343
Total assets	1,825,294	1,617,052	5,401,713	5,328,504	7,227,007	6,945,556
Deferred Outflow of resource						
Pension related amounts	13,946	56,861			13,946	56,861
Other Liabilities	110,581	56,520	47,679	93,680	158,260	150,200
Long-term liabilities	66,528	41,691	1,427,659	1,339,841	1,494,187	1,381,532
Total Liabilities	177,109	98,211	1,475,338	1,433,521	1,652,447	1,531,732
Deferred Inflows of resources						
Deferred property tax & pension	100,655	99,260			100,655	99,260
Net Position						
Investment in capital assets, net or related debt	1,089,647	1,123,126	4,058,362	3,920,958	5,148,009	5,044,084
Restricted	197,833	348,162	47,868	85,544	245,701	433,706
Unrestricted	273,996	5,154	-179,857	-111,519	94,139	-106,365
Total net position	1,561,476	1,476,442	3,926,373	3,894,983	5,487,849	5,371,425

An additional portion of net position, \$433,706 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$-106,365 (-2% of net position), are not currently available to meet the Town's ongoing obligations to citizens and creditors.

Change in Net Position

Governmental and business-type activities decreased the Town's net position by \$114,777 in 2016.

	Governmental Activities 2015	Governmental Activities 2016	Business Type Activities 2015	Business Type Activities 2016	Total 2015	Total 2016
Revenues						
Program Revenues						
Charges for services	\$98,773	\$215,192	\$762,974	\$751,950	\$861,747	\$967,142
Operating Grants	\$78,466	\$112,518			\$78,466	\$112,518
Capital Grants	\$399,333	\$31,860	\$13,500	\$7,343	\$412,833	\$39,203
General Revenues						
Property taxes	\$99,666	\$111,854			\$99,666	\$111,854
Sales tax and other	\$441,565	\$396,229			\$441,565	\$396,229
Franchise taxes	\$58,479	\$55,568			\$58,479	\$55,568
Intergovernmental	\$33,615	\$33,886			\$33,615	\$33,886
Miscellaneous	\$78,482	\$6,917			\$78,482	\$6,917
Interest Income	\$79	\$153	\$147	\$285	\$226	\$438
Totals	\$1,288,458	\$964,177	\$776,621	\$759,578	\$2,065,079	\$1,723,755
Expenses						
General government	\$137,147	\$158,166			\$137,147	\$158,166
Public safety	\$290,269	\$349,840			\$290,269	\$349,840
Judicial	\$14,478	\$13,946			\$14,478	\$13,946
Parks	\$121,962	\$129,733			\$121,962	\$129,733
Public works	\$195,148	\$251,788			\$195,148	\$251,788
Recreation		\$20,145	\$31,793			\$20,145
Community Center		\$13,185				\$13,185
Water			\$293,352	\$314,620	\$293,352	\$314,620
Sewer			\$390,270	\$415,371	\$390,270	\$415,371
Trash			\$159,239	\$171,738	\$159,239	\$171,738
Total expenses	\$759,004	\$936,803	\$874,654	\$901,729	\$1,633,658	\$1,838,532
Increase —decrease in net position	\$529,454	\$27,374	-\$98,033	-\$142,151	\$431,421	-\$114,777
Beginning	\$ 919,614	\$1,449,068	\$4,135,167	\$4,037,134	\$5,054,781	\$5,486,202
Ending	\$1,449,068	\$1,476,442	\$4,037,134	\$3,894,983	\$5,486,202	\$5,371,425

Governmental Activities

Governmental activities operations for the year resulted in an increase in net position of \$27,374. Property taxes and sales taxes accounted for 54% of total revenues.

Business-type Activities

Business-type activities operations for the year resulted in a decrease in net position of \$142,151. Charges for services accounted for 98% of total revenues.

FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

Governmental funds - The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

As of the end of 2016, the Town's governmental funds reported combined ending fund balances of \$306,527, an increase of \$4,668 in comparison with the prior year. Of the combined ending fund balances for all governmental funds 95% of this total amount, \$291,391 constitutes restricted fund balance, which is legally restricted for Tabor Emergency reserves, maintenance and repairs of the towns roads, parks and recreation and the police pension. The remainder of the fund balance is assigned to subsequent year's expenditures..

The Town has two major governmental funds, the General Fund, which is the primary operating fund for the Town, and the Road Fund. At the end of 2016, unassigned fund balance of the General Fund was \$-0-, while the total fund balance was \$41,986. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The fund balance of the Town's General Fund decreased by \$51,758 during 2016 due to various anticipated revenues that were not received.

Proprietary funds. The Town's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The Town has 3 enterprise funds: Water, Sewer and Trash. At the end of 2016, these funds represented the following net position amounts:

Fund	Water	Sewer	Trash	Total
Invested in capital assets, net of debt	\$ 439,981	3,388,913	92,064	3,920,958
Restricted net position		85,544		85,544
Unrestricted net position	-63,659	-161	-47,699	-111,519
Total net position	\$ 376,322	3,474,296	44,365	3,894,983
Increase (decrease) in net position	\$ -36,402	-120,232	14,483	-142,151

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town budgeted \$775,311 for 2016 expenditures and transfers. Actual expenditures and transfers were \$711,739. There was no amendment to the original budget for the General Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2016, was \$6,466,343. The investment in capital assets includes land, land improvements, buildings, and equipment.

Town of Olathe's Capital Assets (net of depreciation)						
	Governmental activities		Business-type activities		Total	
	2015	2016	2015	2016	2015	2016
Land	179,725	179,725	247,603	247,603	427,328	427,328
Land improvements	53,602	42,330			53,602	42,330
Infrastructure	603,212	616,562			603,212	616,562
Transmission and distribution systems			5,065,267	4,888,900	5,065,267	4,888,900
Buildings	232,895	221,222	-		232,895	221,222
Equipment	137,827	126,950	133,469	143,050	271,296	270,000
Total	1,207,261	1,186,789	5,446,339	5,279,553	6,653,600	6,466,342

The Town's long-term liability activity for the year ended December 31, 2016 was as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Capital leases	\$ 66,527	16,551	19,415	63,663	21,972
Total Governmental activities	\$ 66,527	16,551	19,415	63,663	21,972
Business-type activities					
Water & Sewer Revenue Bonds	\$ 1,368,244		24,245	1,343,999	25,346
Capital leases	59,415	33,102	37,579	54,938	33,750
Total Business-type activities	\$ 1,427,659	33,102	61,824	1,398,937	59,096

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Town of Olathe, Colorado, Finance Office, 419 Horton Avenue, PO Box 789, Olathe, CO 81425.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF OLATHE, COLORADO

Statement of Net Position

December 31, 2016

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash & cash equivalents	\$ 134,056	-	134,056
Certificates of deposit	13,982	2,620	16,602
Receivables, net			
Accounts	11,458	56,405	67,863
Sales tax	70,011		70,011
Property tax	98,670		98,670
Due from other governments	5,967		5,967
Interfund balances	95,619	(95,619)	-
Temporarily Restricted			
Cash & cash equivalents		85,544	85,544
Capital Assets - net of accumulated depreciation			
Land, right of way and easements	179,725	247,603	427,328
Land improvements	42,331		42,331
Infrastructure	616,562		616,562
Transmission and distribution systems		4,888,901	4,888,901
Buildings and improvements	221,222	-	221,222
Equipment and vehicles	126,949	143,050	269,999
Net Pension Asset	500		500
Total Assets	1,617,052	5,328,504	6,945,556
Deferred Outflows of Resources			
Pension related amounts	56,861		56,861
Liabilities			
Accounts Payable	6,475	10,507	16,982
Accrued payroll liabilities	18,091	10,278	28,369
Accrued vacation payable	9,982	8,828	18,810
Interest Payable		4,971	4,971
Non Current Liabilities			
Due Within One Year	21,972	59,096	81,068
Due In More Than One Year	41,691	1,339,841	1,381,532
Total Liabilities	98,211	1,433,521	1,531,732
Deferred Inflow of Resources			
Pension related amounts	590		590
Unavailable revenue - property tax	98,670		98,670
Total Deferred Inflow of Resources	99,260	-	99,260
Net Position			
Invested in Capital Assets, Net of Related Debt	1,123,126	3,920,958	5,044,084
Restricted for:			
Emergencies	26,850		26,850
Streets and alley's	248,352		248,352
Pension related amounts	58,112		58,112
Conservation trust	14,848		14,848
Debt service		85,544	85,544
Unrestricted	5,154	(111,519)	(106,365)
Total Net Position \$	1,476,442	3,894,983	5,371,425

The accompanying notes are an integral part of these financial statements.

TOWN OF OLATHE, COLORADO
Statement of Activities
For the year ended December 31, 2016

Statement of Activities

For the year ended December 31, 2016

GOVERNMENTAL ACTIVITIES:									
General government									
	\$	158,166	51,153	10,255	-	(96,758)	(96,758)	(346,352)	82,750
Public safety		349,840	3,488	-	-	(346,352)	(346,352)	(346,352)	82,750
Judicial		13,946	96,696	-	-	82,750	82,750	82,750	82,750
Parks		129,733	13,028	20,125	-	(96,580)	(96,580)	(96,580)	(96,580)
Public works		251,788	28,970	82,138	31,860	(108,820)	(108,820)	(108,820)	(108,820)
Recreation		20,145	15,476	-	-	(4,669)	(4,669)	(4,669)	(4,669)
Community center		13,185	6,381	-	-	(6,804)	(6,804)	(6,804)	(6,804)
Total governmental activities		936,803	215,192	112,518	31,860	(577,233)	(577,233)	-	(577,233)
BUSINESS-TYPE ACTIVITIES:									
Water		314,620	270,722		7,343	(36,555)	(36,555)	(36,555)	(36,555)
Sewer		415,371	295,073			(120,298)	(120,298)	(120,298)	(120,298)
Trash		171,738	186,155			14,417	14,417	14,417	14,417
Total business-type activities	\$	901,729	751,950	-	7,343	(142,436)	(142,436)	(142,436)	(142,436)
		1,838,532	967,142	112,518	39,203	(577,233)	(577,233)	(142,436)	(719,669)
General Revenues:									
Taxes									
Property taxes									
Sales taxes									
Franchise and occupational taxes									
Severance taxes									
Motor vehicle taxes and registrations									
Donations									
Earnings on investments									
Total general revenues and transfers									
Change in net position									
NET POSITION - JANUARY 1									
NET POSITION - DECEMBER 31	\$								

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

TOWN OF OLATHE, COLORADO

Balance Sheet

Governmental Funds

December 31, 2016

	General Fund	Road Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 2,777	118,431	12,848	134,056
Certificate of deposit	1,000	9,641	3,341	13,982
Due from other funds		95,619		95,619
Receivables, net				
Accounts	8,699	2,759		11,458
Sales tax	46,674	23,337		70,011
Property tax	98,670			98,670
Due from other governments	1,556	4,411		5,967
Total assets	<u>\$ 159,376</u>	<u>254,198</u>	<u>16,189</u>	<u>429,763</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 4,615	1,860		6,475
Accrued payroll liabilities	14,105	3,986		18,091
Total liabilities	<u>18,720</u>	<u>5,846</u>	<u>-</u>	<u>24,566</u>
Deferred inflows of resources				
Deferred property tax revenue	98,670			98,670
Total deferred inflows of resources	<u>98,670</u>	<u>-</u>	<u>-</u>	<u>98,670</u>
Fund Balances:				
Restricted for:				
Emergency	26,850			26,850
Streets and alley's		248,352		248,352
Conservation trust			14,848	14,848
Police Officer's retirement			1,341	1,341
Assigned for:				
Subsequent year's expenditures	15,136			15,136
Unassigned:				
General fund	-			-
Total fund balances	<u>41,986</u>	<u>248,352</u>	<u>16,189</u>	<u>306,527</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 159,376</u>	<u>254,198</u>	<u>16,189</u>	<u>429,763</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF OLATHE, COLORADO

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2016

Total fund balances for governmental funds	\$	306,527
--	----	---------

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	179,725	
Land improvements, net of \$193,875 accumulated depreciation	42,331	
Infrastructure, net of \$273,399 accumulated depreciation	616,562	
Buildings and improvements, net of \$130,970 accumulated depreciation	221,222	
Equipment, net of \$725,900 accumulated depreciation	126,949	
Total capital assets		1,186,789

Pension asset - not reported in governmental funds	500
--	-----

Deferred outflows of resources related to pension are applicable to future periods, and, therefore, are not reported in the governmental funds. Deferred outflows of resources are related to the difference between projected and actual earnings on pension investments and the difference between contributions and proportionate share of contributions

56,861

Deferred inflows of resources related to pensions are applicable to future periods, and, therefore are not reported in the governmental funds. Deferred inflows of resources are related to the difference between expected and actual experience

(590)

Long-term liabilities applicable to the Town's governmental activities are not due are not due and payable in the current period and accordingly, are not reported as governmental fund liabilities. All liabilities, both current and long-term are reported in the statement of net position

Capital leases payable	63,663	
Accrued vacation payable	9,982	
Total long-term liabilities		(73,645)

Total net position of governmental activities	\$	<u>1,476,442</u>
---	----	------------------

The notes to the financial statements are an integral part of this statement.

TOWN OF OLATHE, COLORADO

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the year ended December 31, 2016

	General Fund	Road Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 438,500	131,377		569,877
Licenses and permits	11,783			11,783
Intergovernmental	10,255	141,658	20,125	172,038
Miscellaneous	39,457	29,014	22	68,493
Public safety	3,488			3,488
Judicial	96,696			96,696
Parks	13,028			13,028
Recreation	20,393			20,393
Community center	8,381			8,381
Total revenues	641,981	302,049	20,147	964,177
EXPENDITURES				
Current:				
General government	145,005			145,005
Public safety	328,051		18,121	346,172
Judicial	13,946			13,946
Parks	125,686			125,686
Public works		205,378		205,378
Recreation	20,145			20,145
Community center	13,185			13,185
Capital outlay:				
General government	23,417			23,417
Public safety	5,075			5,075
Public works		56,742		56,742
Debt service:				
Principal	17,458	1,957		19,415
Interest	1,650	244		1,894
Total expenditures	693,618	264,321	18,121	976,060
Excess (deficit) of revenues over expenditures	(51,637)	37,728	2,026	(11,883)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	18,000		18,121	36,121
Operating transfers out	(18,121)		(18,000)	(36,121)
Lease proceeds		16,551		16,551
Total other financing sources (uses)	(121)	16,551	121	16,551
Net change in fund balances	(51,758)	54,279	2,147	4,668
FUND BALANCES, JANUARY 1	93,744	194,073	14,042	301,859
FUND BALANCES, DECEMBER 31	\$ 41,986	248,352	16,189	306,527

The notes to the financial statements are an integral part of this statement.

TOWN OF OLATHE, COLORADO

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
December 31, 2016

Net change in fund balances - total governmental funds	\$	4,668
--	----	-------

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$79,714) exceeded capital outlays - (\$68,683) in the current period.

	5,520
--	-------

Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source for financing, but in the statement of net position, the lease obligation is reported as a liability. Repayment of the principal portion of the lease is an expenditure in the governmental funds but a reduction of a liability in the statement of net position.

Capital lease payments	19,415
Lease proceeds	(16,551)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Net change in pension expense	16,312
-------------------------------	--------

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources and revenues are not recognized until they become both measurable and available. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available.

Net change in accrued vacation payable	(1,990)
--	---------

Change in net position of governmental activities	\$	<u>27,374</u>
---	----	---------------

The notes to the financial statements are an integral part of this statement.

TOWN OF OLATHE, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2016

	Business-Type Activities - Enterprise Funds			
	Water Fund	Sewer Fund	Trash Fund	Total Enterprise Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ -	-	-	-
Certificate of deposit			2,620	2,620
Accounts receivable, net of allowance for uncollectibles	11,406	29,410	15,589	56,405
Total current assets	11,406	29,410	18,209	59,025
Temporarily restricted cash and cash equivalents		85,544		85,544
Property, plant and equipment - net of depreciation				
Land, right-of-way and easements	128,900	114,303	4,400	247,603
Transmission and distribution systems	304,405	4,584,496		4,888,901
Buildings and improvements	-	-	-	-
Equipment and vehicles	21,273	34,113	87,664	143,050
Total property plant and equipment - net	454,578	4,732,912	92,064	5,279,554
Total assets	465,984	4,847,866	110,273	5,424,123
LIABILITIES				
Current liabilities:				
Accounts payable	3,759	2,442	4,306	10,507
Accrued payroll liabilities	3,985	3,986	2,307	10,278
Accrued vacation payable	3,575	3,575	1,678	8,828
Due to other funds	63,746		31,873	95,619
Interest payable		4,971		4,971
Long term debt due in one year:				
Capital lease payable	4,003	4,003	25,744	33,750
Note payable		25,346		25,346
Total current liabilities	79,068	44,323	65,908	189,299
Long Term Debt				
Capital lease payable	14,597	14,597	25,744	54,938
Note payable		1,343,999		1,343,999
Less amounts due in one year	(4,003)	(29,349)	(25,744)	(59,096)
Total net long term debt	10,594	1,329,247	-	1,339,841
Total liabilities	89,662	1,373,570	65,908	1,529,140
NET POSITION				
Invested in capital assets, net of related debt	439,981	3,388,913	92,064	3,920,958
Restricted		85,544		85,544
Unrestricted	(63,659)	(161)	(47,699)	(111,519)
Total net position	\$ 376,322	3,474,296	44,365	3,894,983

The notes to the financial statements are an integral part of this statement.

TOWN OF NUCLA, COLORADO

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

For the year ended December 31, 2016

	Business-type Activities - Enterprise Funds			
	Water Fund	Sewer Fund	Trash Fund	Total Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 254,275	282,010	185,885	722,170
Tap fees - unpledged	14,350	6,839		21,189
Pump station surcharge		5,200		5,200
Miscellaneous income	2,097	1,024	270	3,391
Total operating revenues	270,722	295,073	186,155	751,950
OPERATING EXPENSES				
Operations and maintenance	286,059	198,923	148,563	633,545
Depreciation	28,314	155,078	21,496	204,888
Total operating expenses	314,373	354,001	170,059	838,433
Operating income (loss)	(43,651)	(58,928)	16,096	(86,483)
NON-OPERATING REVENUES (EXPENSES)				
Interest income	153	66	66	285
Interest expense	(247)	(61,370)	(1,679)	(63,296)
Grants	7,343			7,343
Net nonoperating revenues (expenses)	7,249	(61,304)	(1,613)	(55,668)
Change in net position	(36,402)	(120,232)	14,483	(142,151)
TOTAL NET POSITION, JANUARY 1	412,724	3,594,528	29,882	4,037,134
TOTAL NET POSITION, DECEMBER 31	\$ 376,322	3,474,296	44,365	3,894,983

The notes to the financial statements are an integral part of this statement.

TOWN OF OLATHE, COLORADO
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2016

	Business-type Activities - Enterprise Funds			
	Water Fund	Sewer Fund	Trash Fund	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 273,713	293,704	184,048	751,465
Net receipts (payments) from interfund borrowing	9,884	(6,652)	6	3,238
Payments to suppliers	(198,929)	(109,763)	(98,405)	(407,097)
Payments to employees	(87,460)	(87,459)	(50,686)	(225,605)
Net cash provided by (used in) operating activities	(2,792)	89,830	34,963	122,001
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(2,500)	(2,500)		(5,000)
Federal grant	7,343			7,343
Principal paid on long-term debt	(1,957)	(26,202)	(33,350)	(61,509)
Interest paid on long-term debt	(247)	(61,194)	(1,679)	(63,120)
Net cash provided by (used in) capital and related financing activities	2,639	(89,896)	(35,029)	(122,286)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	153	66	66	285
Net cash provided by (used in) investing activities	153	66	66	285
Net increase (decrease) in cash and cash equivalents	-	-	-	-
CASH AND CASH EQUIVALENTS, JANUARY 1	-	85,544	-	85,544
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ -	85,544	-	85,544
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (43,651)	(58,928)	16,096	(86,483)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	28,314	155,078	21,496	204,888
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	2,991	(1,369)	(2,107)	(485)
Increase (decrease) in accounts payable	(4,384)	(2,354)	(1,007)	(7,745)
Increase (decrease) in accrued vacation payable	69	69	(1,828)	(1,690)
Increase (decrease) in accrued payroll liabilities	3,985	3,986	2,307	10,278
Increase (decrease) in due to other funds	9,884	(6,652)	6	3,238
Net cash provided by (used in) operating activities	\$ (2,792)	89,830	34,963	122,001

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. THE FINANCIAL REPORTING ENTITY

The Town of Olathe, Colorado (referred to hereafter as the Town) is incorporated as a statutory Town under the laws of the State of Colorado with a Mayor- Town Board form of government. The financial statements of the Town have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. As required by generally accepted accounting principles, these financial statements present the Town of Olathe, Colorado a primary government. Based on criteria set forth by GASB, there are no component units for which the Town is financial accountable.

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the Town) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double reporting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes levied by the Town, are presented as general revenues.

TOWN OF OLATHE, COLORADO

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2016

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING (continued)

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water, Sewer, and Trash are charges to customers for sales and services. The Water and Sewer Funds also recognize as operating revenue the portion of the tap fees intended to recover the cost of connecting new customers to the system. Operation expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Separate statements for each fund category—*governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. The Town does not have *fiduciary* fund types.

The Town reports the following major governmental funds:

General Fund. This is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Road Fund. This fund accounts for the 1.33% sales tax dedicated to the construction and maintenance of the Town's streets and alleys.

The Town reports the following major enterprise funds:

Water Fund. This fund accounts for the operation, maintenance, and development of water services.

TOWN OF OLATHE, COLORADO

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2016

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING (continued)

Sewer Fund. This fund accounts for the operation, maintenance, and development of sewer services.

Trash Fund. This fund accounts for the operation and maintenance of trash collection services.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchanges, include sales taxes, grants, entitlements, and donations. On the accrual basis, revenues from sales taxes are recognized in the period for which the taxes are collected by vendors. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liabilities is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants and general revenues or operating funds transfers. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues or operating fund transfers.

TOWN OF OLATHE, COLORADO

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2016

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND EQUITY

Deferred Outflows/Inflows of Resources. In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period (s) and will not be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period has been recorded as deferred inflows. Grants and entitlements received before eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

Deposits and Investments. The cash balances of substantially all funds are pooled for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at December 31, 2016, based on market prices. The individual funds' portions of the pool's fair value are presented as cash and cash equivalents or certificates of deposit. Earnings on the pooled funds are apportioned and paid or credited to the funds monthly based on the average monthly balance of each participating fund.

Cash and Cash Equivalents. The Town considers all cash on hand, demand deposits and short-term highly liquid investments with an original maturing date of three months or less to be cash equivalents.

Property Taxes. Property taxes are levied on December 15th and attach as a lien on property the following January 1st. They are payable in full by April 30th or in two equal installments due February 28th and June 15th. Property taxes levied in the current year and collected in the following year are reported as deferred inflow of resources at December 31st.

Restricted Assets. Restricted assets in governmental and enterprise funds include assets restricted by various covenants of bonds issues by the Town, including bond and interest funds, reserve funds, and unexpended proceeds of bond issues, if applicable. Restricted assets in the non-major governmental funds generally include assets restricted by grantors.

TOWN OF OLATHE, COLORADO

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2016

1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND EQUITY (continued)

Capital Assets. Capital assets, which include property, plant, and equipment, are defined by the Town as assets with an initial, individual cost of at least \$5,000 and an estimated useful life in excess of two years.

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets are reported at estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Enterprise Fund construction costs are increased by interest incurred on bonds during the construction period and reduced by earnings from investment of any unexpended bond proceeds.

Depreciation is calculated using the straight-line method over the estimated useful lives, and no depreciation is recorded in the year of acquisition or construction of such assets. Capital assets acquired by capital lease are depreciated over the estimated useful lives and are included in depreciation expense in the appropriate fund. The estimated useful lives are as follows:

Buildings	30 years
Equipment, Furniture and Vehicles	3-30 years
Transmission and Distribution, Lines and Meters	30-40 years
Treatment and Filtration Plants	30 years
Reservoirs and Storage Facilities	100 years
Land Improvements	15 years
Infrastructure	20-25 years

TOWN OF OLATHE, COLORADO

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2016

1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. ASSETS, LIABILITIES AND EQUITY (continued)

Long-Term Debt. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable bond premium or discount. Bond discounts, issuance costs, and deferred amounts on refunding associated with issuing bonds of proprietary-type funds or bonds issued or refunded after December 31, 2012 for governmental activities are expensed when the bond is issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences. The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid accumulated annual leave balances. The liability has been calculated using the vesting method, in which earned and eligible leave amounts for employees, will be paid as termination payments. The Town's policies do not allow for payment to employees who are expected to become eligible in the future to receive such payments upon termination.

TOWN OF OLATHE, COLORADO

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2016

1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. ASSETS, LIABILITIES AND EQUITY (continued)

Fund Equity. Beginning with fiscal year 2011, the Town implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance amounts that are not in spendable form, (such as inventory), or are required to be maintained intact;
- Restricted fund balance-amounts constrained to specific purposes by their providers, (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation;
- Committed fund balance-amounts constrained to specific purposes by a government itself, using its highest level of decision making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance amounts that are available for any purpose; positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, The Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Town Council has provided otherwise in its commitment or assignment actions.

TOWN OF OLATHE, COLORADO

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2016

1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. BUDGETS AND BUDGETARY ACCOUNTING

The Town follows these procedures in establishing budgets:

- a. Budgets are required by state law for all governmental and proprietary funds.
- b. During September the proposed budget is submitted to the Town Board for the fiscal year commencing the following January 1.
- c. Prior to December 31, the budget is adopted and appropriations are authorized by ordinance at the fund level for all funds. The legal level of budgetary control is at the individual fund level for all funds.
- d. Budgets are adopted on a basis consistent with the accounting basis of all funds except for proprietary-type funds. In the proprietary funds, the Town budgets for capital outlays, transfers to and from reserve funds and bond principal and interest payments and does not budget for depreciation.
- e. Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class and in total by each fund. The total fund level constitutes the legal level of control. Expenditures may not exceed appropriations at this level. Budget revisions at this level are subject to approval by ordinance from the Town Board. Within the fund level control basis, management may transfer appropriations without Board approval. Revisions to the budget were made throughout the year. Budget amounts included in the budgetary comparison schedules are based on the final legally amended budget.
- f. Appropriations lapse at the end of each year, and the Town Board may adopt supplemental appropriations during the year. The Town Board may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the Town's administrator or the revenue estimates must be changed by the Town Board when adopting supplemental appropriations.

Originally adopted budgeted expenditures, amendments and the final, amended budgeted expenditures for the year ended December 31, 2016 are as follows:

	<u>Original Budget</u>	<u>Amendments</u>	<u>Final Budget</u>
General Fund	\$ 775,311		775,311
Road Fund	748,300		748,300
Conservation Trust Fund	18,000		18,000
Police Pension Fund	17,185		17,185
Water Fund	291,000		291,000
Sewer Fund	310,520		310,520
Trash Fund	185,945	2,500	188,445
Total	\$ <u>2,346,261</u>	<u>2,500</u>	<u>2,348,761</u>

TOWN OF OLATHE, COLORADO

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2016

2-DEPOSITS AND INVESTMENTS

The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must at least be equal to 102% of the aggregate uninsured deposits.

CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's policy for deposits allows funds to be placed in any account that is guaranteed by the Federal Deposit Insurance Corporation with remaining amounts collateralized by securities pledged by the financial institution. As of December 31, 2016, none of the Town's bank balances of \$222,433 were exposed to custodial credit risk as they all were entirely insured.

INVESTMENTS

At December 31, 2016, the Town had the following investments:

<u>Description</u>	<u>Weighted Maturity</u>	<u>Fair Value</u>
Colotrust Prime	N/A	\$50,692

Interest rate risk. The Town does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptances of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and guaranteed investment contracts. The Town's general investment policy is to apply the prudent-person rule: Prudence and protection of Town funds are the primary criteria. All investments and bid requests for investments are predicated on liquidity, yield, safety and interest of the local economy. As of December 31, 2016, the Town's investment in Colotrust Prime was rated AAAm by Standard & Poor's.

TOWN OF OLATHE, COLORADO

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2016

2 – DEPOSITS & INVESTMENTS (continued)

Concentration of credit risk. Investments must be in accordance with Colorado statutes and the Town does not have an investment policy that limits the amount of investments in any single type of investment.

3–ALLOWANCE FOR UNCOLLECTIBLES

Receivables are stated net of allowances for uncollectibles, however, at December 31, 2016, the Town considered all accounts collectible and accordingly, no provision for an allowance is recorded.

4 – JOINT VENTURE

The Town is a participant with two other municipalities and two water districts in a joint venture to operate the Project 7 Water Authority, a water treatment facility. The Authority is governed by a board consisting of five appointed representatives from each of the participants. The Town is obligated by contract to purchase the treatment of 45 million gallons of water annually from the Authority so long as the Authority has any unpaid debt, other than from operating expenses. The rate is 90 cents per thousand gallons which results in a minimum annual purchase commitment of \$40,500, but, the rate charged may be changed by action of the Authority. During 2016, the Town purchased treatment of 88,466,870 gallons for \$79,620 and owed the Authority \$2,943 at December 31, 2016 . Separate financial statements of Project 7 Water Authority are available from the Town or the Authority.

TOWN OF OLATHE, COLORADO

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2016

5 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016, was as follows:

	<u>BEGINNING BALANCES</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCES</u>
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 179,725	-	-	179,725
<i>Capital Assets Being Depreciated</i>				
Land improvements	236,205			236,205
Infrastructure, Road Network	849,770	40,191		889,961
Buildings	352,192			352,192
Equipment and vehicles	833,799	19,051		852,850
Total Capital Assets Being Depreciated	<u>2,271,966</u>	<u>59,242</u>	<u>-</u>	<u>2,331,208</u>
Less Accumulated Depreciation for:				
Land improvements	182,603	11,272		193,875
Infrastructure, Road Network	246,558	26,841		273,399
Buildings	119,297	11,673		130,970
Equipment and vehicles	695,972	29,928		725,900
Total Accumulated Depreciation	<u>1,244,430</u>	<u>79,714</u>	<u>-</u>	<u>1,324,144</u>
Total Capital Assets Being Depreciated, Net	<u>1,027,536</u>	<u>(20,472)</u>	<u>-</u>	<u>1,007,064</u>
Governmental Activity Capital Assets, Net	\$ <u>1,207,261</u>	<u>(20,472)</u>	<u>-</u>	<u>1,186,789</u>
Business Type Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land and Easements	\$ 247,603	-	-	247,603
<i>Capital Assets Being Depreciated</i>				
Transmissions and Distribution Systems	1,139,015			1,139,015
Treatment Facilities	6,153,850			6,153,850
Building and Improvements	22,589			22,589
Equipment and Furniture	860,098	38,102		898,200
Total Capital Assets Being Depreciated	<u>8,175,552</u>	<u>38,102</u>	<u>-</u>	<u>8,213,654</u>
Less Accumulated Depreciation for:				
Transmission and Distribution Systems	808,518	26,092		834,610
Treatment Facilities	1,419,080	150,275		1,569,355
Building and Improvements	22,589			22,589
Equipment and Furniture	726,629	28,521		755,150
Total Accumulated Depreciation	<u>2,976,816</u>	<u>204,888</u>	<u>-</u>	<u>3,181,704</u>
Total Capital Assets Being Depreciated, Net	<u>5,198,736</u>	<u>(166,786)</u>	<u>-</u>	<u>5,031,950</u>
Business Type Activities, Capital Assets, Net	\$ <u>5,446,339</u>	<u>(166,786)</u>	<u>-</u>	<u>5,279,553</u>

TOWN OF OLATHE, COLORADO

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2016

5 – CAPITAL ASSETS (continued)

Depreciation expense was charged to functions/programs of the Town as follows:

<u>Governmental Activities</u>		<u>Business-type Activities</u>	
General Government	\$ 11,171	Water	28,314
Public Safety	19,980	Sewer	155,078
Parks	4,047	Trash	21,496
Public Works, including depreciation of general infrastructure assets	44,516		
Total depreciation expense	\$ <u>79,714</u>		<u>204,888</u>

6 – EMPLOYEE RETIREMENT PLANS

Defined Contribution Plan:

The Town participates with several other counties, municipalities and special districts in Colorado and contributes to the Colorado County Officials and Employees Retirement Association (Association), a defined contribution plan, for all of its full time employees except police officers. Full time employees are eligible to participate after 90 days from the date of employment. The Association requires that both the employee and the Town contribute an amount equal to 3% of the employee's base salary each month. The Town's contributions for each employee, (and interest allocated to each employee's account), are fully vested after five years of continuous service. The Town contributions for and interest forfeited by, employees who leave employment before five years of service are used to reduce the Town's current period contribution requirement. For the year ended December 31, 2016, the Town made contributions and recognized \$12,087 as expense and the employee's contributions totaled \$12,087.

TOWN OF OLATHE, COLORADO

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2016

6 – EMPLOYEE RETIREMENT PLANS (continued)

Statewide Defined Benefit Pension Plan for Police Officers:

The Town's police officers participate in the Statewide Defined Benefit Plan (SWDB), which is a cost sharing multiple employer defined benefit pension plan. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007, for members of affiliated Social Security employers, will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1st. The amount of any increase is based on the FPPA Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

The plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

TOWN OF OLATHE, COLORADO

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2016

6 – EMPLOYEE RETIREMENT PLANS (continued)

Statewide Defined Benefit Pension Plan for Police Officers: (continued)

Members of the SWDB plan and their employers are contributed at the rate of 8.5 percent and 8 percent, respectively, of base salary for a total contribution rate of 16.5 percent in 2015. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 20.5 percent of base salary in 2015. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014 member election, the reentry group increased their required member contribution rate increase to 0.5 percent annually, beginning in 2015, through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers was 4.25 percent and 4 percent, respectively, of base salary for a total contribution rate of 8.25 percent in 2015. Per the 2014 member elections, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually, beginning in 2015, through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

Pension Liabilities / Asset, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At December 31, 2016, the Town reported a net pension asset of \$500. The net pension asset was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2016.

TOWN OF OLATHE, COLORADO

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2016

6 – EMPLOYEE RETIREMENT PLANS (continued)

Statewide Defined Benefit Pension Plan for Police Officers: (continued)

At December 31, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$	4,044	590
Changes in proportion and differences between contributions and proportionate share of contributions		6,387	
Net difference between projected and actual earnings on pension plan investments		25,451	
Changes in assumptions		7,854	
Contributions subsequent to the measurement date		13,125	
Total	\$	<u>56,861</u>	<u>590</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the plan year ended December 31		Amounts recognized in collective pension expense
2016	\$	7,743
2017		7,743
2018		7,743
2019		7,112
2020		1,223
Thereafter		5,193

TOWN OF OLATHE, COLORADO

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2016

6 – EMPLOYEE RETIREMENT PLANS (continued)

Statewide Defined Benefit Pension Plan for Police Officers: (continued)

The actuarial valuations for the SWDB were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2015. The valuation used the following actuarial assumptions and other inputs:

	<u>Total Pension Liability</u>	<u>Actuarially Determined Contributions</u>
Actuarial Valuation Date	January 1, 2016	January 1, 2015
Actuarial Method	Entry Age: Normal	Entry Age: Normal
Amortization Method	Level % of Payroll, Open	Level % of Payroll, Open
Amortization Period	30 Years	30 Years
Long-term Investment Rate of Return	7.5%	7.5%
Projected Salary Increases	4.0% - 14.0%	4.0% - 14.0%
including inflation at	2.5%	3.0%
Cost of Living Adjustments (COLA)	0.00%	0.00%

For determining the pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2014 Mortality Table for Blue Collar Employees, projected with Scale BB is used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used. For post-retirement members ages 55 through 64, a blend of the previous tables is used.

For determining the actuarially determined contributions, the RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits.

TOWN OF OLATHE, COLORADO

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2016

6 – EMPLOYEE RETIREMENT PLANS (continued)

Statewide Defined Benefit Pension Plan for Police Officers: (continued)

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2015 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuation beginning January 1, 2016 and were used in the roll forward calculation of total pension liability as of December 31, 2015. Actuarial assumptions effective for actuarial valuations prior to January 1, 2016 were used in the determination of the actuarially determined contributions as of December 31, 2015. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return, (expected returns, net of pension plan investment expense and inflation), are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	37.0%	6.5%
Equity Long/Short	10.0%	4.7%
Illiquid Alternatives	20.0%	8.0%
Fixed Income	16.0%	1.5%
Absolute Return	11.0%	4.1%
Managed Futures	4.0%	3.0%
Cash	2.0%	0.0% *
Total	<u>100.0%</u>	

* - While the expected inflation exceeds the expected rate of return for cash, a 0.0 percent real rate of return is utilized

TOWN OF OLATHE, COLORADO

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2016

6 – EMPLOYEE RETIREMENT PLANS (continued)

Statewide Defined Benefit Pension Plan for Police Officers: (continued)

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the FPPA Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount rate: Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects: (1) a long-term expected rate of return on pension plan investments, (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date, (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57%, (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release, (H.15); and the resulting Single Discount Rate is 7.50%.

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the Town's portion of the plan's net pension (asset) liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

Single Discount Rate		
1% Decrease	Assumption	1% Increase
<u>6.50%</u>	<u>7.50%</u>	<u>8.50%</u>
\$ 70,051	(500)	(59,020)

TOWN OF OLATHE, COLORADO

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2016

7 – COMMITMENTS

The Town has entered into a contract with the Tri-County Conservancy District to purchase water from the Dallas Creek Project as follows:

	<u>Annual Purchase and Operations and Maintenance Commitment</u>	<u>Calendar Years</u>	<u>Annual Payment</u>
Blocks One, Two and Three:	300 Acre Feet Annually	2017 through 2049	\$ 25,384

The purchase price per acre foot shall not exceed the average cost of all municipal and industrial water for which the Tri-County Water Conservancy District is obligated to pay the United States for such water which is limited to \$38,000,000. The purchase price is currently \$77.61 per acre foot, with potential cost adjustments at no longer than five year intervals. Such annual payments are subject to adjustment as a result of rate adjustments. In addition, the Town pays the District a proportionate amount of the operations, maintenance and replacement costs of the project attributable to municipal and industrial use which were set at \$4.00 per acre foot subject to annual adjustment.

8 – CAPITAL LEASE OBLIGATIONS

The Town leases police cars, a refuse truck and a tractor under leases classified as capital leases however, the payments are subject to annual appropriation. The leased equipment is amortized on a straight line basis over 7 years, 10 years and 15 years, respectively, which is included in depreciation expense. Total accumulated amortization related to the leased equipment is \$138,026 and is included in accumulated depreciation. The following is a schedule showing future minimum lease payments under capital leases by years and the present value of the minimum lease payments as of December 31, 2016.

	<u>Police Cars</u>	<u>Refuse Truck</u>	<u>Tractor</u>	<u>Total</u>
Interest rate	2.75%	4.00%	3.00%	
Monthly payments	\$ 1,592		1,100	
Quarterly payments	\$	8,753		
2017 \$	19,107	26,260	13,204	58,571
2018	19,107		13,204	32,311
2019	12,742		13,204	25,946
2020			6,603	6,603
Total minimum lease payments	50,956	26,260	46,215	123,431
Less: amount representing interest	1,890	516	2,425	4,831
Present value of minimum lease payments	<u>49,066</u>	<u>25,744</u>	<u>43,790</u>	<u>118,600</u>

TOWN OF OLATHE, COLORADO

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2016

9 – LONG-TERM LIABILITIES

The Town issued \$1,580,000 Water & Sewer Revenue Bonds Series 2004 on December 30, 2004 to facilitate the construction of a waste water treatment plant. The bonds were issued at an interest rate of 4.50% per annum and are payable in installments of \$42,772 on June 1st and December 1st of each year including principal and interest. The bonds mature on December 1, 2044. The loan is collateralized by the waste water treatment plant.

Principal and interest payments for the years following December 31, 2016 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017 \$	25,346	60,198	85,544
2018	26,499	59,045	85,544
2019	27,705	57,839	85,544
2020	28,966	56,578	85,544
2021	30,284	55,260	85,544
2022-2026	173,391	254,329	427,720
2027-2031	216,601	211,119	427,720
2032-2036	270,578	157,142	427,720
2037-2041	338,007	89,713	427,720
2042-2044	206,622	14,635	221,257
Total \$	<u>1,343,999</u>	<u>1,015,858</u>	<u>2,359,857</u>

The Town has pledged to establish and collect rates and fees for services to create gross revenue each fiscal year to pay operation and maintenance expenses to create net revenue in an amount: (i) equal to not less than 100% of the amount necessary to pay when due the principal and interest of the bonds coming due during such fiscal year and (ii) sufficient to make up any deficiencies in the required reserved account of \$85,544. For the year ended December 31, 2016, the rates charged in the Sewer Fund were sufficient in compliance with this covenant and the required reserve of \$85,544 was funded.

For the year ended December 31, 2016, no interest was capitalized to fixed assets and \$1,894 in the governmental funds and \$63,296 in the proprietary funds totaling \$65,190 was charged to expense.

TOWN OF OLATHE, COLORADO**NOTES TO FINANCIAL STATEMENTS (continued)****December 31, 2016****9 – LONG-TERM LIABILITIES (continued)**

Long-term liability activity for the year ended December 31, 2016 was as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Capital leases	\$ 66,527	16,551	19,415	63,663	21,972
Total Governmental activities	<u>\$ 66,527</u>	<u>16,551</u>	<u>19,415</u>	<u>63,663</u>	<u>21,972</u>
Business-type activities					
Water & Sewer Revenue Bonds	\$ 1,368,244		24,245	1,343,999	25,346
Capital leases	59,415	33,102	37,579	54,938	33,750
Total Business-type activities	<u>\$ 1,427,659</u>	<u>33,102</u>	<u>61,824</u>	<u>1,398,937</u>	<u>59,096</u>

10 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of Interfund balances as of December 31, 2016 is as follows:

A. Due From/To Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Road Fund	Water Fund	\$ 63,746
	Trash Fund	31,873
		<u>\$ 95,619</u>

During 2016, the Town of Olathe closed the Activities Fund which had a deficit net position of \$752,544 at January 1, 2016, based on the cash positions of the various funds, management determined that the amounts payable and receivable in order to close the Activities Fund were allocated as above.

B. Interfund Transfers

Interfund transfers to supplement the expenditures/expenses of other funds were as follows:

		<u>Transfers in</u>		
		<u>General Fund</u>	<u>Police Pension Fund</u>	<u>Total</u>
Transfers out:	\$			
General Fund			18,121	18,121
Conservation Trust		18,000		18,000
Total	<u>\$</u>	<u>18,000</u>	<u>18,121</u>	<u>36,121</u>

TOWN OF OLATHE, COLORADO

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2016

11 – PARTICIPATION IN PUBLIC ENTITY RISK POOL

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Town is a participant in the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA operates as a common risk management and insurance program for 268 members participating in the Property and Casualty Pool and 141 members in the Workers' Compensation Pool. The Town pays an annual premium to CIRSA for its general insurance coverage and workers' compensation insurance coverage. The agreement for formation of CIRSA provides that CIRSA will be financed by member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event. The Town continues to carry commercial insurance for employee health and accident benefits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

12 – TAX, SPENDING AND DEBT LIMITATIONS

The State Constitution, Article X, Section 20, has several limitations regarding revenue raising, spending abilities, and other specific requirements of state and local governments. The Section is complex and subject to judicial interpretation. In 1995, the Town obtained voter approval to collect and retain all sales tax and non-federal grant revenues without limitation under the Section. The Town believes it is in compliance with the requirements of the Section. However, the Town has made certain interpretations of the Section's language in order to determine its compliance. The emergency reserves required under the Section have been funded in the Road Fund.

13 – CONTINGENT LIABILITIES

Under the terms of federal and state grants, costs may be questioned as not being appropriate expenses that could lead to reimbursement to the grantor agencies. Town management is not aware of any such expenses that would not be allowed.

TOWN OF OLATHE, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

14 – RESTATEMENT OF FUND BALANCES AND NET POSITION

The Town closed the Activities Fund as of January 1, 2016 which had a deficit net position of \$752,544 at December 31, 2015. This deficit position was allocated by the Management of the Town to the remaining funds.

The Town has always had the policy of not recording depreciation on assets in the year of acquisition, and depreciating the sewer plant over 40 years instead of 50 years, however, these policies were not followed the past 10 years.

The Town had several old payables accounts that had been carried on the general ledger for the past 10 years which has been corrected by Management.

The following schedule shows the beginning fund balances and net position at January 1, 2016 and the allocated and corrected amounts for restatement.

	<u>General Fund</u>	<u>Road Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Trash Fund</u>	<u>Activities Fund</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Beginning Fund Balance/Net Position	197,363	225,864	766,576	3,811,842	100,499	(752,544)	1,561,476	3,926,373
Allocate Activities Fund deficit and interfund balances	(103,129)		(398,571)	(154,847)	(96,666)	752,544	(131,213)	102,460
Fixed assets and accumulated depreciation correction			27,204	(68,805)	10,959		51,086	(30,642)
Correct old miscellaneous payables	(490)	(31,791)	17,515	6,338	15,090		(32,281)	38,943
Beginning Fund Balance/Net Position Restated	<u>93,744</u>	<u>194,073</u>	<u>412,724</u>	<u>3,594,528</u>	<u>29,882</u>	<u>-</u>	<u>1,449,068</u>	<u>4,037,134</u>

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF OLATHE, COLORADO

Budgetary comparison schedule

General Fund

For the year ended December 31, 2016

(With comparative actual amounts for the year ended December 31, 2015)

	2016			2015
	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
REVENUES				
Taxes				
General property taxes	101,190	99,072	(2,118)	99,666
Specific ownership taxes	12,500	12,567	67	12,744
Penalty and interest on taxes	500	215	(285)	316
General sales and use taxes	281,200	264,852	(16,348)	268,838
Franchise tax equivalents	57,500	54,943	(2,557)	58,479
Occupation taxes	875	625	(250)	875
Severance tax	26,500	6,226	(20,274)	26,585
Total taxes	480,265	438,500	(41,765)	467,503
Licenses and permits				
General				
Business license	1,000	1,135	135	920
Building permits	3,500	6,255	2,755	2,407
Liquor license	350	345	(5)	345
Other permit fees	4,500	3,798	(702)	3,228
Planning and zoning fees	200	250	50	-
Total licenses and permits	9,550	11,783	2,233	6,900
Intergovernmental				
State shared revenues				
Cigarette taxes	1,200	1,168	(32)	1,151
Grants	30,000	7,903	(22,097)	11,250
Mineral lease	3,000	1,184	(1,816)	2,551
Total Intergovernmental	34,200	10,255	(23,945)	14,952
Miscellaneous				
Earnings on investments	40	87	47	45
Miscellaneous	6,000	9,411	3,411	11,653
Miscellaneous refunds	500		(500)	-
Late charge fees	9,500	9,430	(70)	9,590
Administrative fees	27,372	20,529	(6,843)	13,686
Total Miscellaneous	43,412	39,457	(3,955)	34,974

TOWN OF OLATHE, COLORADO

Budgetary comparison schedule

General Fund

For the year ended December 31, 2016

(With comparative actual amounts for the year ended December 31, 2015)

	2016			2015
	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
REVENUES				
Public Safety				
Animal licenses	2,400	300	(2,100)	290
Vehicle inspection fees	600	480	(120)	505
Miscellaneous	17,400	2,708	(14,692)	5,179
Total Public Safety	20,400	3,488	(16,912)	5,974
Judicial				
Traffic fines	63,000	92,018	29,018	37,900
Other code violations	10,000	4,678	(5,322)	8,360
Miscellaneous	100		(100)	-
Total Judicial	73,100	96,696	23,596	46,260
Parks				
Grants	54,000		(54,000)	-
Miscellaneous	2,000	1,348	(652)	1,531
Park rental fees	11,000	11,680	680	9,224
Total Parks	67,000	13,028	(53,972)	10,755
Recreation				
Contributions	300	2,717	2,417	
Sponsors	5,000	2,200	(2,800)	
Program fees	10,800	10,226	(574)	
Facilities rental	4,800	5,250	450	
Total Recreation	20,900	20,393	(507)	-
Community center				
Contributions	2,000	2,000	-	
Community center rental	6,500	6,381	(119)	
Total Community center	8,500	8,381	(119)	-
Total Revenues before transfers in	757,327	641,981	(115,346)	587,318
TRANSFERS IN				
Transfers from Conservation Trust for parks expenditures	18,000	18,000	-	17,379
Total General Fund revenues and transfers in	\$ 775,327	659,981	(115,346)	604,697

TOWN OF OLATHE, COLORADO

Budgetary comparison schedule

General Fund

For the year ended December 31, 2016

(With comparative actual amounts for the year ended December 31, 2015)

	2016			2015
	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
EXPENDITURES				
General government				
Current				
Salaries	\$ 44,053	45,456	(1,403)	41,031
Part time wages				64
Mayor and trustee wages	4,560	4,360	200	4,460
Employee benefits	13,491	12,917	574	13,626
Insurance	3,970	4,089	(119)	3,667
Workers' compensation	1,040	1,284	(244)	1,257
Auditing fees	2,100	2,190	(90)	2,100
Legal fees	12,000	9,531	2,469	6,457
Ambulance service	9,000	9,000	-	
Treasurer's fees	3,000	1,991	1,009	2,041
Clerk and recorder rees	750	619	131	784
Dues and membership fees	3,500	3,267	233	3,035
Travel and training	4,000	5,330	(1,330)	3,630
Meals	250	115	135	42
Publishing	1,000	633	367	822
Publications	150	140	10	140
Postage	2,700	1,879	821	2,266
Utilities	4,000	3,210	790	3,538
Telephone	5,000	5,100	(100)	4,726
Maintenance contracts	7,548	7,548	-	7,548
Office supplies	5,000	3,137	1,863	4,247
Supplies	3,000	3,475	(475)	3,101
Euipment rental	5,500	4,137	1,363	4,361
Building & facility repairs	500	1,314	(814)	952
Equipment repairs	2,000	1,137	863	996
Cleaning services		378	(378)	
Fuel and oil	500	248	252	345
Main street beautification	5,000	3,655	1,345	2,532
Miscellaneous expense	2,000	3,563	(1,563)	1,946
Bank fees	900	753	147	691
Donations & gifts	300		300	75
Economic development	2,500	2,500	-	2,500
CIP grant	18,000		18,000	
Senior citizen assistance	1,000	1,000	-	1,000
Use tax expense	500	1,049	(549)	466
Election judges	100		100	-
Election supplies	1,000		1,000	-
Total Current	169,912	145,005	24,907	124,446
Capital Outlay				
Capital equipment	10,000	23,417	(13,417)	2,516
Total general government	179,912	168,422	11,490	126,962

TOWN OF OLATHE, COLORADO

Budgetary comparison schedule

General Fund

For the year ended December 31, 2016

(With comparative actual amounts for the year ended December 31, 2015)

	2016			2015
	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
EXPENDITURES				
Public Safety				
Current				
Salaries	159,296	170,955	(11,659)	152,434
Part time wages	24,360	27,584	(3,224)	13,570
Employee benefits	39,560	33,308	6,252	33,786
Insurance	5,958	6,199	(241)	5,501
Workers' compensation	4,308	4,553	(245)	5,206
Legal fees	1,500	1,849	(349)	3,525
Contract services	33,105	40,667	(7,562)	14,025
Animal impound fees	2,400	195	2,205	595
Dues and membership fees			-	64
Travel and training	2,000	2,801	(801)	1,422
Meals	200	470	(270)	55
Publishing	400	253	147	691
Postage	100	4	96	97
Utilities	4,000	3,152	848	3,525
Telephone	1,000	2,159	(1,159)	761
Maintenance contracts	3,554	3,697	(143)	3,554
Office supplies	1,200	1,669	(469)	1,179
Clothing	3,000	2,042	958	2,183
Ammunition	3,000	3,171	(171)	-
Supplies	3,500	5,736	(2,236)	3,854
Equipment rental	1,500	1,323	177	1,611
Building and facility repairs	250	1	249	48
Equipment repairs	5,000	5,870	(870)	7,278
Fuel and oil	7,000	6,443	557	6,773
Miscellaneous expense	3,000	3,900	(900)	5,225
Donations & gifts	100	50	50	-
Total Current	309,291	328,051	(18,760)	266,962
Capital Outlay				
Capital Equipment	5,075	5,075	-	6,075
Total Capital Outlay	5,075	5,075	-	6,075
Debt Service				
Principal	17,430	17,458	(28)	11,312
Interest	1,678	1,650	28	742
Total Debt Service	19,108	19,108	-	12,054
Total Public Safety expenditures	333,474	352,234	(18,760)	285,091
TRANSFERS OUT				
Transfer to Police Pension Fund	17,185	18,121	(936)	14,551
Total Public Safety expenditures and transfers	350,659	370,355	(19,696)	299,642

TOWN OF OLATHE, COLORADO

Budgetary comparison schedule

General Fund

For the year ended December 31, 2016

(With comparative actual amounts for the year ended December 31, 2015)

		2016			2015
		Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
EXPENDITURES					
Judicial					
Current					
Salaries					4,974
Part time wages	18,960	12,102	6,858	6,600	
Employee benefits	4,845	981	3,864	1,257	
Workers compensation	297	297	-	359	
Contract services	250		250		
Dues and membership fees			-	64	
Juror fees	250		250		
Travel and training	750	390	360	515	
Office supplies	500	176	324	323	
Supplies	300		300	79	
Miscellaneous	300		300	307	
Total Judicial	26,452	13,946	12,506	14,478	
Parks					
Current					
Salaries	41,177	42,768	(1,591)	39,978	
Part time wages	21,888	23,257	(1,369)	16,682	
Employee benefits	12,925	13,196	(271)	12,338	
Insurance	3,177	3,271	(94)	2,934	
Workers' compensation	1,337	1,582	(245)	1,616	
Contract services	500	150	350	714	
Dues and membership fees	120	120	-	120	
Travel and training	300	200	100	156	
Utilities	7,500	7,477	23	7,204	
Telephone	600	610	(10)	604	
Clothing	300	415	(115)	193	
Event faciliation expense	3,500	4,245	(745)	3,695	
Supplies	6,000	7,918	(1,918)	5,572	
Mosquito control	200	55	145	-	
Chemicals	4,200	2,832	1,368	3,449	
Gravel	3,000	1,340	1,660	-	
Equipment rental	5,500	4,820	680	6,430	
Equipment repairs and maintenance	6,000	5,800	200	3,631	
Building facility repairs			-	18	
Fuel and oil	2,500	2,360	140	2,023	
Miscellaneous expense	1,100	1,235	(135)	1,090	
Grant match	63,000	1,575	61,425	-	
Water assessments	500	460	40	474	
Total Current	185,324	125,686	59,638	108,921	
Capital Outlay					
Capital Equipment	2,000		2,000	14,500	
Capital Improvements	1,500		1,500	3,000	
Total Capital Outlay	3,500	-	3,500	17,500	
Total Parks	188,824	125,686	63,138	126,421	

TOWN OF OLATHE, COLORADO

Budgetary comparison schedule

General Fund

For the year ended December 31, 2016

(With comparative actual amounts for the year ended December 31, 2015)

	2016		Variance with	2015
	Original & Final Budget	Actual	Final Budget Positive (Negative)	Actual
EXPENDITURES				
Recreation				
Current				
Wages	1,393	1,461	(68)	
Part time wages	6,635	6,892	(257)	
Employee benefits	1,020	1,052	(32)	
Insurance	1,191	1,227	(36)	
Workers' compensation	297	542	(245)	
Utilities	600	592	8	
Office supplies	200	114	86	
Supplies	50	245	(195)	
Miscellaneous expense		163	(163)	
Program expense	5,600	7,857	(2,257)	
Special event	1,000		1,000	
Total Recreation	<u>17,986</u>	<u>20,145</u>	<u>(2,159)</u>	<u>-</u>
Community Center				
Current				
Wages	1,393	1,461	(68)	
Part time wages	2,645	2,692	(47)	
Employee benefits		718	(718)	
Insurance	1,191	1,227	(36)	
Workers' compensation	149	149	-	
Utilities	4,000	3,000	1,000	
Telephone	600	721	(121)	
Supplies	1,000	409	591	
Building and facility repairs	500	2,208	(1,708)	
Cleaning services		600	(600)	
Total Community Center	<u>11,478</u>	<u>13,185</u>	<u>(1,707)</u>	<u>-</u>
Total current expenditures	720,443	646,018	74,425	514,807
Total capital outlay expenditures	18,575	28,492	(9,917)	26,091
Total debt service expenditures	19,108	19,108	-	12,054
Total transfers out	17,185	18,121	(936)	14,551
Total General Fund expenditures and transfers out	<u>775,311</u>	<u>711,739</u>	<u>63,572</u>	<u>567,503</u>
Net change in fund balances	16	(51,758)	(51,742)	37,194
FUND BALANCES, JANUARY 1	<u>169,156</u>	<u>93,744</u>	<u>(75,412)</u>	<u>56,550</u>
FUND BALANCES, DECEMBER 31	<u>\$ <u>169,172</u></u>	<u><u>41,986</u></u>	<u><u>(127,154)</u></u>	<u><u>93,744</u></u>

TOWN OF OLATHE, COLORADO

Budgetary comparison schedule

Road Fund

For the year ended December 31, 2016

(With comparative actual amounts for the year ended December 31, 2015)

	2016		Variance with	2015
	Original & Final Budget	Actual	Final Budget Positive (Negative)	Actual
REVENUES				
Taxes				
General sales taxes	140,000	131,377	(8,623)	132,207
Intergovernmental				
State shared revenues				
Highway users tax	46,000	49,638	3,638	49,848
Grants	470,571	31,860	(438,711)	399,333
County shared revenues				
Motor vehicle tax	25,860	20,895	(4,965)	23,522
Auto registrations	6,975	6,765	(210)	6,391
Grants	32,000	32,500	500	43,553
Miscellaneous				
Street Assessment Revenue	29,246	28,970	(276)	28,884
Investment Income	20	44	24	23
Total Revenues	<u>750,672</u>	<u>302,049</u>	<u>(448,623)</u>	<u>683,761</u>
EXPENDITURES				
Public Works				
Salaries	88,916	91,445	(2,529)	80,012
Employee benefits	26,776	26,411	365	24,165
Insurance	7,149	7,375	(226)	6,601
Workers' compensation	2,080	2,324	(244)	2,513
Auditing Fees	2,100	2,190	(90)	2,100
Legal fees	500	517	(17)	360
Contract services	500	1,079	(579)	309
Travel and training	200	757	(557)	58
Meals	50	42	8	70
Publishing	75	36	39	86
Postage	20	107	(87)	49
Utilities	10,750	12,987	(2,237)	22,329
Telephone	1,000	1,013	(13)	998
Office supplies		38	(38)	44
Clothing	250	361	(111)	293
Supplies	5,000	5,885	(885)	5,383
Mosquito control	250		250	-
Chemicals	750	194	556	551
Gravel	4,000	6,015	(2,015)	-
Administrative fee	6,843	5,132	1,711	4,442
Safety equipment	150	197	(47)	33
Building rent	12,250	14,729	(2,479)	
Building and facility repairs	150	387	(237)	135
Equipment repairs and maintenance	14,000	10,306	3,694	6,765
Fuel and oil	5,500	3,819	1,681	3,755
Street materials	18,000	10,839	7,161	9,631
Street signs	750	395	355	217
Miscellaneous expense	500	798	(298)	-
Grants	15,000		15,000	1,772
Total Current	<u>223,509</u>	<u>205,378</u>	<u>18,131</u>	<u>172,671</u>
Capital Outlay				
Capital Equipment	521,964	56,742	465,222	568,152
Total Capital Outlay	<u>521,964</u>	<u>56,742</u>	<u>465,222</u>	<u>568,152</u>
Debt Service				
Principal	2,550	1,957	593	
Interest	277	244	33	
Total Debt Service	<u>2,827</u>	<u>2,201</u>	<u>626</u>	<u>-</u>
Total Road Fund expenditures	<u>748,300</u>	<u>264,321</u>	<u>483,979</u>	<u>740,823</u>
Other financing sources				
Lease proceeds		16,551	16,551	
Net change in fund balances	2,372	54,279	51,907	(57,062)
FUND BALANCES, JANUARY 1	<u>248,422</u>	<u>194,073</u>	<u>(54,349)</u>	<u>251,135</u>
FUND BALANCES, DECEMBER 31	<u>\$ 250,794</u>	<u>248,352</u>	<u>(2,442)</u>	<u>194,073</u>

TOWN OF OLATHE, COLORADO
Schedule of Change in Net Pension Asset
For the years ended December 31

Measurement Date (as of the previous fiscal year end)	2016	2015	2014
Employer Portion of Net Pension Asset	0.02836640%	0.02301823%	0.02325081%
Employer proportionate share of Net Pension Asset	\$ 500	25,978	20,791
Employer Covered Payroll	\$ 137,511	103,514	100,987
Employer Proportionate Share of Net Pension Asset as a Percentage of Covered Payroll	\$ 0.36%	25.10%	20.59%

TOWN OF OLATHE, COLORADO
Schedule of Contributions to Pension Plan
For the year ended December 31

	<u>2016</u>	<u>2015</u>	<u>2014</u>
As of the previous fiscal year end			
Required Employer Contributions	11,001	8,281	8,079
Employer Contributions Recognized by Plan	<u>11,001</u>	<u>8,281</u>	<u>8,079</u>
Difference	-	-	-
Employer Covered Payroll	137,511	103,514	100,987
Contributions as a Percentage of Employer Covered Payroll	8.00%	8.00%	8.00%

SUPPLEMENTARY INFORMATION

TOWN OF OLATHE, COLORADO

Combining Balance Sheet

Non-Major Governmental Funds

For the year ended December 31, 2016

	Special Revenue Fund Conservation Trust	Police Pension Permanent Fund	Total Non-Major Governmental Funds
Assets			
Cash and Cash Equivalents	12,848		12,848
Certificates of Deposit	2,000	1,341	3,341
Total Assets	<u>14,848</u>	<u>1,341</u>	<u>16,189</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable			-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted for:			
Conservation trust	14,848		14,848
Police officer's retirement		1,341	1,341
Total Fund Balance	<u>14,848</u>	<u>1,341</u>	<u>16,189</u>
Total Liabilities and Fund Balance	<u>14,848</u>	<u>1,341</u>	<u>16,189</u>

TOWN OF OLATHE, COLORADO

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget

Non-Major Governmental Funds

For the year ended December 31, 2016

	Special Revenue Fund Conservation Trust		Police Pension Permanent Fund		Total Non-Major Governmental Funds	
	Actual	Budget	Actual	Budget	Actual	Budget
Revenues						
Intergovernmental						
Lottery	20,125	18,000			20,125	18,000
Miscellaneous						
Investment income	22				22	-
Total Revenues	<u>20,147</u>	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>20,147</u>	<u>18,000</u>
Expenditures						
Current						
Public Safety			18,121	19,685	18,121	19,685
Total Expenditures	<u>-</u>	<u>-</u>	<u>18,121</u>	<u>19,685</u>	<u>18,121</u>	<u>19,685</u>
Excess of Revenues Over (Under) Expenditures	<u>20,147</u>	<u>18,000</u>	<u>(18,121)</u>	<u>(19,685)</u>	<u>2,026</u>	<u>(1,685)</u>
Other Financing Sources (Uses)						
Operating Transfers In (Out)	(18,000)	(18,000)	18,121	19,685	121	1,685
Total Other Financing Sources (Uses)	<u>(18,000)</u>	<u>(18,000)</u>	<u>18,121</u>	<u>19,685</u>	<u>121</u>	<u>1,685</u>
Net Change in Fund Balance	<u>2,147</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,147</u>	<u>-</u>
Fund Balance, January 1	<u>12,701</u>	<u>12,701</u>	<u>1,341</u>	<u>1,341</u>	<u>14,042</u>	<u>14,042</u>
Fund Balance, December 31	<u>14,848</u>	<u>12,701</u>	<u>1,341</u>	<u>1,341</u>	<u>16,189</u>	<u>14,042</u>

TOWN OF NUCLA, COLORADO**SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS - ACTUAL AND BUDGET****WATER FUND - BUDGET BASIS OF ACCOUNTING**

For the year ended December 31, 2016 with comparative actual amounts

for the year ended December 31, 2015

	2016			2015
	Original & Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
<u>REVENUES</u>				
Charges for Services	256,000	254,275	(1,725)	248,868
Tap Fees	3,000	14,350	11,350	-
Investment Income	70	153	83	79
Grants	30,000	7,343	(22,657)	13,500
Miscellaneous	3,500	2,097	(1,403)	2,725
Total Revenues	292,570	278,218	(14,352)	265,172
<u>EXPENDITURES</u>				
Operations and Maintenance				
Salaries	88,916	91,514	(2,598)	80,695
Employee benefits	26,776	26,411	365	24,165
Insurance	7,149	7,375	(226)	6,601
Workers' compensation	2,080	2,324	(244)	2,513
Auditing fees	2,100	2,190	(90)	2,100
Legal fees	500	1,944	(1,444)	195
Engineering fees	500	1,861	(1,361)	672
Contract services	500	1,049	(549)	288
Dues and membership fees	150	298	(148)	133
Travel and training	750	1,582	(832)	491
Publishing	125	42	83	60
Postage	1,100	753	347	1,093
Utilities	2,600	3,102	(502)	2,547
Telephone	1,000	848	152	855
Clothing	250	361	(111)	293
Supplies	8,000	12,188	(4,188)	8,092
Chemicals	750	194	556	551
Administrative fee	6,843	5,132	1,711	3,421
Safety equipment	150	123	27	69
Building rent	12,250	11,229	1,021	1,021
Building and facility repairs	150	253	(103)	185
Equipment repairs and maintenance	3,000	3,659	(659)	5,154
Other permits	250	250	-	250
Fuel and oil	5,500	3,728	1,772	3,556
Miscellaneous expense	750	278	472	285
Grants	15,000	1,469	13,531	16,847
Reservoir maintenance	500	90	410	-
Water usage	72,000	80,267	(8,267)	76,516
Water assessments	25,534	25,545	(11)	25,395
Water tank maintenance	500		500	995
Total Operations and Maintenance	285,673	286,059	(386)	265,038
Capital outlay				
Equipment	2,500	2,500	-	
Debt service				
Principal	2,550	1,957	593	
Interest	277	247	30	
Total debt service	2,827	2,204	623	-
TOTAL EXPENDITURES	291,000	290,763	237	265,038

TOWN OF NUCLA, COLORADO**SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS - ACTUAL AND BUDGET****SEWER FUND - BUDGET BASIS OF ACCOUNTING**

For the year ended December 31, 2016 with comparative actual amounts

for the year ended December 31, 2015

	2016			2015
	Original & Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Charges for services	279,568	282,010	2,442	279,663
Tap fees	8,561	6,839	(1,722)	10,955
Pump station surcharge	5,200	5,200	-	5,201
Investment income	25	66	41	34
Miscellaneous revenues	3,000	1,024	(1,976)	12,902
Grants	15,000		(15,000)	-
Total Revenues	311,354	295,139	(16,215)	308,755
EXPENDITURES				
Operations and Maintenance				
Salaries	88,916	91,514	(2,598)	80,695
Employee Benefits	26,776	26,411	365	24,164
Insurance	7,149	7,375	(226)	6,703
Workers' compensation	2,080	2,324	(244)	2,513
Auditing fees	2,100	2,190	(90)	2,100
Legal fees	250	1,045	(795)	690
Engineering fees	1,000		1,000	9,500
Contract services	5,000	4,485	515	3,478
Dues and membership fees	150	85	65	135
Travel and training	1,500	552	948	1,216
Publishing	125		125	60
Postage	1,000	542	458	908
Utilities	28,000	26,886	1,114	25,773
Telephone	2,200	2,695	(495)	2,463
Clothing	250	361	(111)	293
Supplies	3,000	2,477	523	4,543
Chemicals	1,000	194	806	551
Administrative fee	6,843	5,132	1,711	3,421
Safety equipment	150	83	67	69
Building rent	12,250	11,229	1,021	1,021
Building repairs and maintenance	150	253	(103)	113
Equipment repairs and maintenance	6,000	2,590	3,410	9,890
Other permits	2,200	2,195	5	2,195
Fuel and oil	5,000	3,668	1,332	3,522
Miscellaneous expense	500	277	223	422
CIP grant	15,000	3,336	11,664	6,717
Water assessments	1,060	1,024	36	1,056
Total Operations and Maintenance	219,649	198,923	20,726	194,211
Capital outlay				
Equipment	2,500	2,500	-	996
Total capital outlay	2,500	2,500	-	996
Debt Service				
Principal	26,343	26,202	141	23,190
Interest	62,028	61,370	658	62,354
Total debt service	88,371	87,572	799	85,544
TOTAL EXPENDITURES	310,520	288,995	21,525	280,751

TOWN OF NUCLA, COLORADO**SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS - ACTUAL AND BUDGET****TRASH FUND - BUDGET BASIS OF ACCOUNTING**

For the year ended December 31, 2016 with comparative actual amounts

for the year ended December 31, 2015

	2016			2015
	Original & Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
<u>REVENUES</u>				
Charges for services	185,760	185,885	125	169,757
Investment income	25	66	41	34
Miscellaneous revenues	500	270	(230)	-
Total Revenues	186,285	186,221	(64)	169,791
<u>EXPENDITURES</u>				
Operations and maintenance				
Salaries	51,298	51,165	133	47,811
Employee benefits	15,097	14,653	444	13,867
Insurance	2,780	2,862	(82)	2,567
Workers' compensation	1,188	1,188	-	1,436
Auditing fees	2,100	2,190	(90)	2,100
Legal fees		708	(708)	
Contract services	200	958	(758)	200
Publishing	75		75	60
Postage	1,000	575	425	907
Utilities	2,000	1,507	493	1,389
Telephone	700	1,093	(393)	744
Clothing	250	338	(88)	260
Supplies	5,000	7,230	(2,230)	2,739
Administrative fee	6,843	5,132	1,711	3,421
Safety equipment	150	83	67	33
Building rent	5,250	4,813	437	
Building repairs and maintenance	150	253	(103)	437
Equipment repairs and maintenance	6,000	3,811	2,189	9,111
Fuel and oil	5,000	3,830	1,170	3,501
Miscellaneous expense	250	528	(278)	193
Dumping fees	45,600	45,646	(46)	43,749
Total Operations and maintenance	150,931	148,563	2,368	134,525
Debt Service				
Principal	33,151	33,350	(199)	31,796
Interest	1,863	1,679	184	3,218
Total Debt Service	35,014	35,029	(15)	35,014
TOTAL EXPENDITURES	185,945	183,592	2,353	169,539

LOCAL HIGHWAY FINANCE REPORT

Calendar Year 2016

LOCAL HIGHWAY FINANCE REPORT

COUNTY/CITY:Olathe

II - RECEIPTS FOR ROAD AND STREET PURPOSES**A. Receipts from local sources**

2. General Fund Appropriations:	\$	0.00
3. Other local imposts: <i>from A.3. Total below</i>	\$	
4. Miscellaneous local receipts: <i>from A.4. Total below</i>	\$	
5. Transfers from toll facilities	\$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0.00
b. Bonds - Refunding Issues:	\$	0.00
c. Notes:	\$	0.00

SubTotal: \$ 0.00

B. Private Contributions

\$ 0.00

II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)**A.3. Other local imposts**

a. Property Taxes and Assessments	\$	0.00
b. Other Local Imposts		
1. Sales Taxes:	\$	149,653.00
2. Infrastructure and Impact Fees:	\$	28,762.00
3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	0.00
Total: <i>(a + b) carried to 'Other local imposts' above</i>	\$	

A.4. Miscellaneous local receipts

a. Interest on Investments:	\$	44.00
b. Traffic fines & Penalties:	\$	0.00
c. Parking Garage Fees:	\$	0.00
d. Parking Meter Fees:	\$	0.00
e. Sale of Surplus Property:	\$	0.00
f. Charges for Services:	\$	0.00
g. Other Misc. Receipts:	\$	32,640.00
h. Other:	\$	0.00

Total: *(a through h) carried to 'Misc local receipts' above* \$

C. Receipts from State Government

1. Highway User Taxes:	\$	49,394.00
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	6,734.00
d. Other:		
Comments: DOLA Grant	\$	34,798.00
e. Other:		
Comments: CDOT Grant	\$	25,256.00
Total: (1+3c,d,e)	\$	

D. Receipts from Federal Government

2. Other Federal Agencies		
a. Forest Service:	\$	0.00
b. FEMA:	\$	0.00
c. HUD:	\$	0.00
d. Federal Transit Administration:	\$	0.00
e. U.S. Corp of Engineers	\$	0.00
f. Other Federal:	\$	0.00
Total: (2a-f)	\$	

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES**A. Local highway disbursements**

1. Capital outlay: (from A.1.d. 'Total Capital Outlay' below)	\$	
2. Maintenance:	\$	125,698.00
3. Road and street services		
a. Traffic control operations:	\$	22,626.00
b. Snow and ice removal:	\$	16,759.00
c. Other:	\$	0.00
4. General administration & miscellaneous	\$	39,981.00
5. Highway law enforcement and safety	\$	2,514.00
Total: (A.1-5)	\$	

B. Debt service on local obligations

1. Bonds		
a. Interest	\$	0.00
b. Redemption	\$	0.00
2. Notes		
a. Interest	\$	0.00
b. Redemption	\$	0.00
SubTotal: (1+2)	\$	

C. Payments to State for Highways:	\$	0.00
D. Payments to Toll Facilities:	\$	0.00

Total Disbursements: (A+B+C+D) \$

III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES - (Detail)

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$
b. Engineering Costs:	\$ 0.00	\$ 0.00	\$
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$
2. Capacity Improvements:	\$ 0.00	\$ 0.00	\$
3. System Preservation:	\$ 0.00	\$ 73,830.00	\$
4. System Enhancement:	\$ 0.00	\$ 0.00	\$
5. Total Construction:			\$
d. Total Capital Outlay: (Lines A.1.a. + 1.b. + 1.c.5)			\$

IV. LOCAL HIGHWAY DEBT STATUS

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	\$ 0.00	\$ 0.00	\$ 0.00	\$
1. Bonds (Refunding Portion)		\$ 0.00	\$ 0.00	\$
B. Notes (Total):	\$ 0.00	\$ 0.00	\$ 0.00	\$

V - LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C.Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 225,864.00	\$ 327,281.00	\$ 281,408.00	\$ 271,737.00	\$ 0.00

Notes & Comments:
undefined

Date Submitted: